

# Report Highlights



## Cash Funds Uncommitted Reserves

State of Colorado • Office of the State Controller  
Performance Audit • November 2025 • 2554P

OFFICE OF THE STATE AUDITOR

C O L O R A D O

### Key Concern

Eleven departments did not comply with uncommitted cash fund reserves statutory requirements for Fiscal Year 2025.

### Key Findings

- We determined that 11 departments had funds with excess uncommitted reserves as of June 30, 2025. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2025 are:
  - Department of Agriculture
  - Department of Higher Education
  - Department of Human Services
  - Department of Labor and Employment
  - Department of Local Affairs
  - Department of Personnel and Administration
  - Department of Public Health and Environment
  - Department of Public Safety
  - Department of Regulatory Agencies
  - Department of Revenue
  - Department of State
- Within those 11 departments, 23 total cash funds had excess uncommitted reserves totaling approximately \$59.0 million.
  - The total number of departments with excess uncommitted reserves stayed the same from the prior year.
  - The total number of funds with excess uncommitted reserves increased by four from the prior year.
  - Total excess uncommitted reserves increased by approximately \$34.0 million from the prior year.
- The Department of Public Health and Environment had three cash funds with excess uncommitted reserves for 3 consecutive years; as a result, the OSC will be required to restrict their spending authority in accordance with Section 24-75-402(12), C.R.S., beginning in Fiscal Year 2026.
  - Additionally, the Department reported to us at the end of our audit that the Perfluoroalkyl and Polyfluoroalkyl Substances Cash Fund has fees set in statute that should have been exempted and that, as a result, the Fund should not have appeared in the Fiscal Year 2025 Report as having excess uncommitted reserves; however, the Department failed to provide necessary information to the OSC during their preparation of the Report to validate their assessment.

# Background

- Section 24-75-402, C.R.S., limits the amount that departments can keep in certain cash funds at the end of a fiscal year.
- A cash fund has an excess uncommitted reserve when the year-end balance is greater than statutory reserve limits.
- The Office of the State Controller (OSC) is required to prepare the Cash Funds Excess Uncommitted Reserves Report annually by September 20 to determine which funds are in compliance.
- Section 24-75-402(12), C.R.S. requires the OSC to restrict spending authority in the next fiscal year when a cash fund has been out of compliance for 3 consecutive years.

Audit Recommendations Made	Agency Responses		
	Agree	Partially Agree	Disagree
24	24	0	0